



# State of Alaska

Division of Retirement and Benefits

## Supplemental Benefits Enrollment Guide

### What's In This Enrollment Guide

The State of Alaska is pleased to provide you with this enrollment guide. This booklet is designed to give you the information you need to make *Supplemental Benefits* enrollment decisions. It provides information about the choices available to you. Details on the costs and how to enroll through the telephone or Internet enrollment systems are also included on the separate Personal Fact Sheet. You have an opportunity (in May and June of each year) to change your enrollment choices during the annual open enrollment period.

Pension and benefit information is available using Member Services. Member Services is your doorway to personalized information related to your retirement, insurance benefits, and other valuable benefits available to you. Current retirement account balance, projected retirement estimates, benefit calculators, *Supplemental Benefits* enrollment, and more are available 24 hours a day, 7 days a week at [www.state.ak.us/drb](http://www.state.ak.us/drb). Click on "My Account Info" on the gold bar at the top of the screen.

Access to account information is provided for people who are members of any of the retirement systems administered by the Division of Retirement and Benefits. To apply for a Retirement and Benefits PIN, go to [www.state.ak.us/drb](http://www.state.ak.us/drb) and click on "My Account Info." Follow the instructions to "Apply" for your PIN. If you are unable to access your account for any reason, contact us by email at [memberservicesrep@admin.state.ak.us](mailto:memberservicesrep@admin.state.ak.us) or call us at (907) 465-4460 or (800) 821-2251.

If you are a permanent or long-term nonpermanent employee, you receive health benefits from your union trust and should contact them regarding any health enrollment options.

#### Note

This enrollment guide is for supplemental benefits only. Remember you still need to enroll for your health insurance with your union health trust.

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### Reference Materials

Title	Date
Newsbreaks .....	Semi-Annual*
Supplemental Annuity Plan Statement .....	Quarterly
<i>Supplemental Benefits</i> System Information Booklet .....	5/2003*
Alaska Deferred Compensation Plan Information .....	2006*
Alaska Supplemental Annuity Plan Information .....	2005*

\* Available on the Internet — [www.state.ak.us/drb](http://www.state.ak.us/drb)

## Supplemental Benefits — Benefits to Suit You

*Supplemental Benefits* offers you the opportunity to obtain benefits that best suit the needs of you and your family. Enrollment in any plan is optional – choose only the plans and coverage levels that meet your needs. Premiums are paid through payroll deductions and are subtracted from gross wages before taxes are deducted – an added advantage to the plan. You can select from the following options:

- Life Insurance
- Accidental Death & Dismemberment
- Survivor Benefits
- Disability Benefits
  - Short-term
  - Long-term
- Dependent Care Assistance Plan

Limitations to these plans may apply; refer to the *Supplemental Benefits System* Information Booklet for greater details about each of these plans.

## Changing Your Coverage

You can always change your mind about any of your benefit choices after you have enrolled, as long as you re-enroll before the 30-day deadline.\*

**Reminder—each time that you re-enroll a new enrollment is processed. The previous enrollment will no longer exist. Make sure to reselect each of your elections.**

The only time you *can* change your coverage other than during annual open enrollment is within 30 days of a “qualified status change.”

These include:

- gaining or losing a dependent through birth, adoption, marriage, divorce, or death.
- dependent is no longer eligible under the terms of the plan.

- spouse terminating employment, beginning an extended period of layoff or leave without pay, or beginning new employment.
- you or your spouse changing employment status from full-time to part-time or vice versa.

**Your change in benefits must be consistent with the status change.** For example, if you had a baby, you could elect dependent care. However, you may change life insurance or disability selections anytime.

*\*After you enroll, you can change your **Supplemental Benefits** **only** if you have a qualified status change as shown above.*

## Life Insurance

The plans you make now—and the benefits you choose—can make a difference to your family later. *Supplemental Benefits* lets you customize the amount of life insurance that is right for your situation.

### Basic Life/AD&D

Under the Group Life Insurance Plan, the State automatically provides you with:

- \$2,000 Basic Life Insurance.
- \$5,000 Accidental Death and Dismemberment (AD&D) coverage.

If you have eligible dependents, your spouse and each dependent child are insured for \$1,000 under the Group Life Insurance, Basic Life Plan.

### Travel Accident

An additional \$100,000 is payable if your death is accidental and occurs while traveling for the State.

### Optional Life/AD&D

In addition, you may choose to enroll in Optional Life Insurance also provided under the Group Life Insurance Plan. The amount available is equal to your annual income rounded to the next highest \$1,000. The maximum amount is \$60,000.

If you die from any cause, the Optional Life Insurance pays your beneficiary the full amount of your insurance. If you die from an accident, your Optional AD&D insurance pays your beneficiary an additional benefit equal to the value of your Optional Life Insurance benefit.

Check your first payroll check stub of the month for the deduction “Life Ins” to determine if you have this benefit or contact the Division of Retirement and Benefits.

### Supplemental Benefits Life Insurance

Additionally, you may choose from one of the following Life Insurance coverage levels offered through *Supplemental Benefits*:

- No coverage
- \$10,000
- \$20,000
- \$30,000
- \$40,000
- \$48,000

There are a few rules to keep in mind when selecting your coverage level:

- No more than \$10,000 of *Supplemental Benefits* Life Insurance may be selected if you are electing Survivor Benefits. (See page 4 for information on Survivor Benefits.)
- If you wish to elect *Supplemental Benefits* Accidental Death and Dismemberment, you must select at least \$10,000 of *Supplemental Benefits* Life Insurance. (See page 4 for information on AD&D.)

### Reminder

- ① You have 30 days to enroll using the Internet or the telephone.
- ② You have 30 days to also enroll for your health benefits with the union health trust.

## Accidental Death and Dismemberment (AD&D) Insurance

Life Insurance provides benefits if you die for any reason. Accidental Death and Dismemberment insurance helps provide even more financial protection if something happens to you. If you die because of an accident, your beneficiary will get money from your Life Insurance and your AD&D Insurance. It also provides money if you suffer certain injuries as the result of an accident, such as the loss of a limb or your eyesight. You may also select coverage for your family members.

When purchasing AD&D coverage, you have a choice of coverage levels:

- **Employee only**  
The full benefit amount for employee only coverage is \$100,000.
- **Employee and family**  
The benefit amounts that are paid to your beneficiaries are based on the make-up or composition of your family at the time of the loss.

If you want to purchase AD&D coverage, you must also elect at least \$10,000 of *Supplemental Benefits* Life Insurance coverage for yourself.

### Your AD&D Coverage Options

Family Composition at Time of Loss	Full Benefit Amount
<i>Employee, Spouse, and Dependent Children</i>	
Employee	\$ 100,000
Spouse	\$ 40,000
Each child	\$ 5,000
<i>Employee and Spouse</i>	
Employee	\$ 100,000
Spouse	\$ 50,000
<i>Employee and Dependent Children</i>	
Employee	\$ 100,000
Each child	\$ 10,000

The amount of the benefit is also based on the severity of the loss.

Type of Permanent Loss	Percentage of AD&D Coverage Paid
Life	100%
Both eyes, feet, hands, or any combination thereof	100%
One eye, one foot, or one hand	50%
Thumb and index finger of same hand	25%

## Survivor Benefits

Survivor Benefits pay your beneficiary an ongoing monthly payment, rather than a one-time life insurance payment. The amount of the monthly payment depends on how long you elect to have the payments made. Your Survivor Benefit options are listed to the right.

This coverage is not available, however, if you have elected more than \$10,000 of *Supplemental Benefits* Life Insurance coverage.

### Survivor Benefit Options

- 5 years at \$765 per month
- 10 years at \$455 per month
- 15 years at \$360 per month
- 20 years at \$315 per month
- 25 years at \$290 per month
- 30 years at \$275 per month
- No coverage

## Disability Benefits

The State recognizes that one of the most important possessions you have is your ability to earn a living. You want to protect your family, your home, and all the things for which you have worked so hard. Short and Long-Term Disability Insurance can provide you with income if an illness or injury keeps you from working.

Benefits are payable only if you are “totally disabled.” You are considered totally disabled if you are unable to work at any gainful occupation (not just your own occupation) and are under the care of a physician.

### Other Points to Consider

When selecting disability coverage that is right for you, please remember:

- For the first 24 months of disability coverage, no benefits are payable if you are disabled due to a pre-existing condition. A pre-existing condition is an illness or injury which was diagnosed, treated, for which you have been taking medication, or for which a reasonable person would have sought treatment in the 12 months before your coverage began. At the end of the 24 months of coverage, the limitation is canceled.
- The amount of your Short-Term and Long-Term Disability benefit is reduced by the amount of benefits available from any retirement plan, including your retirement system, Social Security disability, other group disability plan, workers’ compensation, or other sources (see your *Supplemental Benefits* System Information Booklet for details).
- The minimum monthly Long-Term Disability benefit payable after all offsets is \$100.
- The maximum monthly Long-Term Disability benefit payable is \$8,000.

### Short-Term Disability

Short-Term Disability (STD) provides you continuing income if you become disabled and are unable to work. Benefit payments begin after 30 days of disability and after all paid leave is exhausted. You receive benefits for up to 180 days from the date of your disability.

#### Your Short-Term Disability Options

- Plan A – \$210 per week
- No coverage

### Long-Term Disability

If you remain totally disabled after 180 days, Long-Term Disability (LTD) coverage pays you a continuing monthly benefit. The length of time your benefit is paid depends on how old you are when you became disabled.

#### Your Long-Term Disability Options

- Plan B – 50% of base monthly pay
- Plan C – 70% of base monthly pay
- No coverage

#### Tip

There are two separate enrollments:

- ① Supplemental Benefits with the Division of Retirement and Benefits.
- ② Health Insurance with your union health trust.

## Reimbursement Accounts

With the Dependent Care Assistance Plan (DCAP), you can set aside money to pay for certain day care expenses on a tax-free basis. This means you pay less in taxes each year!

### Here's How It Works

Each benefit year, you decide the amount you want to contribute, up to the limits, on a pretax basis. During the benefit year, you file claims and are reimbursed with tax-free dollars from the account. You benefit from reduced taxes, because you don't pay taxes on the dollars you contribute to your account.

### Some Important Rules

The government imposes certain restrictions on Reimbursement Account plans to give you these pre-tax advantages.

- Our benefit year runs from July 1 to June 30. Therefore, you lose any portion of your account balance not used for expenses incurred by June 30. You must budget contributions carefully or “use it or lose it.”
- Services for eligible expenses must be received while you are covered by the plan — coverage stops during periods of leave without pay and at termination. In addition, services must be received prior to the end of the benefit year, June 30th. Claims for the benefit year must be filed within 60 days of the end of the benefit year.

If you enroll in the Dependent Care Assistance Plan, information on how to file claims will be sent to you.

## Dependent Care Assistance Plan

The Dependent Care Assistance Plan lets you pay expenses on a tax-free basis for dependent care. You can be reimbursed for these expenses if your dependents require care because you work full-time or part-time and fall under one of these categories:

- You are a single parent.
- Your spouse also works.
- Your spouse is a full-time student.
- Your spouse is disabled.

### Who Are Your Eligible Dependents?

Your eligible dependents are those individuals listed as a dependent on your federal income tax return and may include:

- Your dependent children under the age of 13.
- Your spouse, parent, or child over the age of 13, who is physically or mentally incapable of self-support and who lives in your home at least eight hours a day.

### What Are Eligible Expenses?

You can be reimbursed for the following eligible expenses:

- Dependent care centers — if the care is for more than six individuals and complies with all state and local laws.
- In-home services — if the care of a dependent is included and the person providing services is not your dependent child under age 19, or any other person you claim as a dependent.
- Services provided by individuals — including relatives, as long as the individual providing care is not your dependent.

To pay for these expenses, contributions must be at least \$25 per month. You may contribute up to a maximum of \$5,000 per calendar year if you're single or if you're married and you file a joint tax return with your spouse. If you are married and you and your spouse file separate tax returns, you may contribute up to \$2,500 per calendar year. Keep in mind the amount you contribute may not be greater than your annual income or the annual income of your spouse, whichever is less.

### Who Will Receive Your Benefits If You Die?

There are valuable benefits to be paid to your beneficiaries if you die. Many people complete beneficiary forms when they are first hired, but forget to update them when they marry, divorce, have a child, or experience a death in the family. Often beneficiaries move, but their addresses aren't updated. This means your benefits could be paid to someone you would prefer not to pay or benefit payments could be delayed while attempts to locate your beneficiary are made. If you cannot remember the last time you filled out a beneficiary form or who you designated, fill out a new form to ensure your benefits go to the people you want.

The following is a list of benefits that may be available upon your death:

- Pension Benefits
- Group Life Insurance Plan
  - Basic Life Insurance
  - Optional Life Insurance
- Supplemental Annuity Plan
- *Supplemental Benefits* Life Insurance/AD&D
- *Supplemental Benefits* Survivor Benefits
- Alaska Deferred Compensation Plan
- Unpaid Compensation (last paycheck plus leave not taken)

A complete packet of beneficiary forms is available from the Division or on our website at [www.state.ak.us/drb](http://www.state.ak.us/drb).

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